

Supplemental Budget Request

Sent to Legislature on January 20



FY 21 Supplemental: COVID Recovery

Immediate COVID Response and Supports:

- \$90 million Federal - COVID Vaccination Activities
 - Increase vaccination capacity and ensure high-quality and safe administration
 - Ensure equitable distribution and administration of vaccines
 - Increase vaccine confidence through education, outreach, and partnerships
- \$575 million Federal - Expanded Epidemiology and Lab Capacity (ELC) Grants
 - Testing, contact tracing, surveillance, containment, and mitigation to monitor and suppress the spread of COVID-19



Small Business Support and Economic Development - \$259 million GF

- \$125 million – Michigan Main Street Initiative – MEDC
 - \$60 million grants for restaurants and other place-based businesses to keep Main Streets vibrant and communities resilient
 - \$63 million for the nearly half of Michigan’s community development financial institutions (CDFI) that are not eligible for federal CDFI stimulus funds to ensure access to capital for rural and other businesses that have been unable to access PPP loans
 - \$2 million in planning grants and support for the remaining half of CDFI’s eligible for federal funds, to support matching requirements and secure these federal dollars in Michigan
- \$75 million – Business Accelerators and Resiliency Initiative– MEDC
 - Michigan’s high-tech startups are vital to long term economic recovery efforts but have largely been left out of relief programs including PPP. And investors hold back capital during a recession – or pandemic. Build on smaller, more targeted relief programs – including support through the Business Accelerator Fund

Small Business Support and Economic Development – Cont.

- \$25 million – Michigan Microenterprise Support Initiative – MEDC
 - Support and capital to businesses with fewer than 9 employees representing more than half of business establishments in the state, many of whom have struggled to access capital through traditional programs
- \$22 million – Summer Property Tax Payment Deferral Penalties and Interest – Treasury
 - Pay penalties and interest for certain businesses and individuals who paid Summer 2020 property taxes late due to COVID impacts but have paid their Winter 2021 taxes on time
- \$5 million – Apprenticeship in Energy – LEO
 - Provide targeted employment and training services to unemployed and underemployed residents for a statewide apprenticeship program that connects the unemployed or underemployed with training and resources necessary for gainful employment. The program shall prioritize residents from underserved or economically distressed communities to provide them with the skills needed for entry into registered apprenticeships in the energy sector

Small Business Support and Economic Development – Cont.

- \$6 million – Reconnect/Futures for Frontliners Wraparound Supports – LEO
 - Customized supports for up to 400 single parents a year for 3 years. Participants will receive on-campus childcare, intensive personalized advisement, educational supports including tutoring, career counseling and assistance in transitioning to a 4-year school
- \$1.1 million – Office of Rural Development – MDARD
 - Create an office to address issues facing rural communities in including reduced and aging population, brain drain, insufficient opportunities for family sustaining careers, consolidation of rural hospitals, and a loss of specialized health services. Assist rural communities that are often faced with a lack of capital, tax structure and staff capacity to compete for and coordinate large projects. Include \$1.0 million in grants for the Rural Development Fund Grant Program

Tools to drive economic opportunity: Renewal of Good Jobs for Michigan

FY 21 Supplemental: Economic Recovery

- \$665 million federal - Emergency Rental Assistance
 - MSHDA would build on current Eviction Diversion Program to provide both rental and utility assistance
 - Funds would go through MSHDA to Emergency Solutions system to local agencies
 - Renters must be under 80% Area Median Income, have a COVID related financial hardship and be at-risk of homelessness or housing instability
- \$2.1 billion federal - Food Assistance Programs
 - Pandemic EBT program to provide supplemental nutrition for children who otherwise would be fed at school
 - 15% increase in Food Assistance Benefits

FY 21 Supplemental: Academic Recovery

- \$1.5 billion - Federal ESSER Formula Grants
 - Expanded CARES Act ESSER funds
 - Formula distribution based on Federal Title I funding, which is driven by student poverty counts
 - Allowable uses include COVID response and addressing learning loss, preparing schools for reopening, and testing, repairing, and upgrading projects to improve air quality in school buildings
 - Must be spent by Sept. 30, 2023
- \$457 million - ESSER Discretionary - \$157 million Federal and \$300 million School Aid Fund
 - Distributed to districts and ISDs based on a combination of special education student populations and across-the-board per-pupil payments for academic recovery programming
 - Half distributed based on special education counts and half based on pupil counts
 - Minimum amount of \$25,000 per district or ISD
 - Funds may be used on all students in the district for uses allowable under ESSER
 - Must be spent by Sept. 30, 2023 (federal) / Sept. 30, 2024 (state)



FY 21 Supplemental: Securing Democracy

- \$5 Million - Provide Capitol Security funds
 - For capitol security improvements including staffing; infrastructure improvements; and equipment such as x-ray machines, magnetometers, and video and audio equipment
 - Funding necessary to implement a weapons ban at the Capitol